

Message Text

LIMITED OFFICIAL USE

PAGE 01 OECD P 04292 01 OF 02 111151Z
ACTION EUR-12

INFO OCT-01 ISO-00 NEA-10 AID-05 CEA-01 CIAE-00 COME-00
EB-08 EA-07 FRB-03 INR-07 IO-13 NSAE-00 USIA-06
OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00
OMB-01 /085 W
-----111204Z 006843/15

R 111149Z FEB 77
FM USMISSION OECD PARIS
TO SECSTATE WASH DC 5301

LIMITED OFFICIAL USE SECTION 01 OF 02 OECD PARIS 04292

PASS: AID

E.O. 11652: N/A
TAGS: OECD, EAID
SUBJECT: OECD DEVELOPMENT CENTRE CONFERENCE ON TRILATERAL COOPERATION WITH ARAB INVOLVEMENT, JANUARY 26-28, 1977

REF: STATE 15748

1. SUMMARY: BASIS OF DISCUSSION AT CONFERENCE WAS DRAFT DEVELOPMENT CENTRE PAPER, COPIES OF WHICH POUCHEO. ALTHOUGH MUCH TALENT ASSEMBLED, RESULTS DISAPPOINTING BECAUSE OF POOR PREPARATION AND ORGANIZATION. ARABS PARTICULARLY CONCERNED THAT THEY GAVE COMMENTS AND OPINIONS BUT DID NOT HEAR FROM OECD GOVERNMENTS WHO WERE INVITED ONLY AS "OBSERVERS" AND NOT ENCOURAGED TO SPEAK. POLITICAL POLEMICS WERE MINIMAL. CONCLUSIONS, NOT EARTHSHAKING, LISTED IN PARA. 6 BELOW, AND FOLLOW-UP IN PARA.
7. END SUMMARY.

2. THIS FULL THREE-DAY CONFERENCE WAS CHAIRED BY DEVELOPMENT CENTRE PRESIDENT HENRY. LENGTHY LIST OF ATTENDEES INCLUDED 69 PARTICIPATING EXPERTS FROM WIDE VARIETY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 04292 01 OF 02 111151Z

OF LDC AND DC INSTITUTIONS, 45 OBSERVERS FROM OECD-MEMBER GOVERNMENTS (MANY OF THESE OBSERVERS WERE NOT PRESENT THROUGHOUT CONFERENCE, HOWEVER), PLUS NUMEROUS OBSERVERS FROM OECD SECRETARIAT AND DEVELOPMENT CENTRE.

3. BASIS OF DISCUSSION WAS DRAFT DEVELOPMENT CENTRE PAPER IN ENGLISH PRIMARILY PREPARED BY AUSTRIAN ECONO-

MIST TRAUTE SHARF, WHOSE WORK IS FOR MOST PART FINANCED BY AUSTRIAN GOVERNMENT OUTSIDE OF CENTRE'S NORMAL BUDGET. THIS PAPER IS TITLED "ARAB DEVELOPMENT FUNDS AND BANKS APPROACHES TO TRILATERAL COOPERATION." IT IS DIVIDED INTO SECTIONS AS FOLLOWS: PART A, SUMMARY AND CONCLUSIONS; B, ARAB APPROACH TOWARDS DEVELOPMENT ASSISTANCE; C, TRILATERAL COOPERATION WITH ARAB INVOLVEMENT; D, LEGAL AND INSTITUTIONAL FRAMEWORK FOR TRILATERAL COOPERATION; E, CONCLUSIONS AND CONSEQUENCES; AND THEN BIBLIOGRAPHY AND ANNEXES. DRAFT PULLS TOGETHER MUCH USEFUL GENERAL INFORMATION, BUT IS VERY WEAK IN SPECIFICS AND SUGGESTIONS, AND CONTAINS VARIOUS ERRORS. READER UNFAMILIAR WITH TOPIC WILL FIND DRAFT USEFUL, BUT IT IS NOT OF MUCH VALUE FOR POLICY MAKERS WORKING IN THIS FIELD, AND PROJECT AND FINANCIAL EXPERTS. SHARF WILL IMPROVE THE DRAFT AS RESULT OF THE DISCUSSIONS AND COMMENTS AT THIS CONFERENCE, BUT WE SUSPECT FINAL PRODUCT STILL LIKELY TO BE TOO GENERAL TO BE OF GREAT USE TO PRACTITIONERS. IN ADDITION, DEVELOPMENT DIRECTORATE PREPARED INTERESTING PAPER DD-481, "THE CO-FINANCING OF DEVELOPMENT PROJECTS BY DAC AND OPEC MEMBERS AND INTERNATIONAL FINANCIAL INSTITUTIONS", DATED 13 JANUARY 1977, CONTAINING RUNDOWN OF ONGOING TRILATERAL PROJECTS. COPIES OF ALL THESE PAPERS HAVE BEEN POUCHED TO WASHINGTON.

4. EARLIER WE HAD FEARED THAT CONFERENCE MIGHT BE USED BY ARAB AND LDC PARTICIPANTS AS POLITICAL FORUM IN SUPPORT OF CONTROVERSIAL NIEO CONCEPTS. BUT, WITH FEW EX-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 04292 01 OF 02 111151Z

CEPTIONS, THIS NOT THE CASE. PRESENTATIONS AND DISCUSSIONS, THOUGH OFTEN RAMBLING, DULL, AND TOO GENERAL, PRETTY WELL FOLLOWED SPECIFIC TOPICS IN DRAFT CENTRE PAPER. THE FEW EXCEPTIONS WHERE POLITICAL CONSIDERATIONS BRIEFLY INTERVENED INVOLVED THE FOLLOWING:

A. SOME ARABS STRESSED THAT INDUSTRIALIZED ECONOMIES ARE OR SHOULD BE SOMEHOW OBLIGATED TO PROTECT THE PURCHASING POWER OF ARAB INVESTMENTS IN THEIR COUNTRIES.

B. A FEW LDC PARTICIPANTS SAID THAT THE PROFITS OF WESTERN MULTILATERAL COMPANIES, ESPECIALLY OIL FIRMS, ARE "TOO HIGH" AND AT THE EXPENSE OF THE LDC'S.

C. THEY CHARGED THAT TECHNOLOGY NOT SUITABLE FOR LDC'S IS NEVERTHELESS "FORCED" ON THEM BY THE WEST; INDUSTRIALIZED COUNTRY GOVERNMENTS AND FIRMS SHOULD SPEND RESOURCES TO CREATE TECHNOLOGIES MORE APPROPRIATE FOR LDC'S AND PROVIDE IT TO THEM.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 OECD P 04292 02 OF 02 111151Z

ACTION EUR-12

INFO OCT-01 ISO-00 NEA-10 AID-05 CEA-01 CIAE-00 COME-00

EB-08 EA-07 FRB-03 INR-07 IO-13 NSAE-00 USIA-06

OPIC-03 SP-02 TRSE-00 CIEP-01 LAB-04 SIL-01 AGRE-00

OMB-01 /085 W

-----111203Z 006851 /12

R 111149Z FEB 77

FM USMISSION OECD PARIS

TO SECSTATE WASH DC 5302

LIMITED OFFICIAL USE SECTION 02 OF 02 OECD PARIS 04292

D. AID PROGRAMS OF ARAB OPEC COUNTRIES ARE VERY
SUBSTANTIAL, MUCH HIGHER THAN INDUSTRIALIZED COUNTRY
PROGRAMS.

5. BUT ALTHOUGH CONFERENCE COULD BE TERMED "SUCCESSFUL"
IN SENSE THAT OUR FEARS CONCERNING POLITICAL POLEMICS
DID NOT OCCUR, IT WAS DISAPPOINTING IN TERMS OF POSITIVE
EXCHANGES AND ACCOMPLISHMENTS, ESPECIALLY GIVEN THE CON-
SIDERABLE AMOUNT OF TALENT IN ATTENDANCE. BASIC REASON
IS THAT CONFERENCE WAS POORLY ORGANIZED. PERHAPS TOO
MANY EXPERTS WERE INVITED. AT ANY RATE, AT INVITATION
OF CHAIRMAN, ALMOST EVERY ONE OF EXPERTS GAVE SET TALKS
CONCERNING ONE OR MORE OF THE TOPICS BEING ADDRESSED,
RANGING BETWEEN 10-30 MINUTES EACH. THIS TOOK UP ALMOST
ALL THE TIME OF THE MEETINGS, SO VERY LITTLE REMAINED
FOR REACTIONS TO THE TALKS OR DISCUSSION, EVEN IF SUCH
WAS ENCOURAGED BY THE CHAIRMAN, WHICH IT WASN'T BECAUSE
OF THE "NECESSITY" TO GET THROUGH ALL THE TALKS. AL-
THOUGH MOST OF THE TALKS WERE TOO GENERAL, EVEN INTER-
ESTING POINTS WERE NOT PURSUED BY THE GROUP BECAUSE OF
THIS FORMAT OF THE CONFERENCE. ALSO, CENTRE DID NOT
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 OECD P 04292 02 OF 02 111151Z

PREPARE AND DISTRIBUTE LIST OF SPECIFIC ISSUES TO BE ADDRESSED, SO THAT SPEAKERS FREQUENTLY WANDERED ALL OVER MAP WITHOUT FOCUS (IN CASE OF DAC AND MANY OTHER OECD GROUPS, SECRETARIAT NORMALLY DISTRIBUTES AN "ISSUES PAPER" LISTING SPECIFIC POINTS TO BE ADDRESSED; THIS IS GREAT ASSET IN FOCUSING DISCUSSION AND COMING TO CONCLUSIONS). FINALLY, SOME LDC DELEGATES PRIVATELY EXPRESSED DISAPPOINTMENT THAT OECD COUNTRIES WERE "OBSERVERS", AND NOT EXPECTED OR ENCOURAGED TO SPEAK. ARABS APPARENTLY HAD ASSUMED THERE WOULD BE DIALOGUE ON TRIPARTITE MATTERS BETWEEN THEMSELVES AND INDUSTRIALIZED COUNTRY REPRESENTATIVES, BUT MEETING WAS NOT ARRANGED THIS WAY. THEREFORE SOME ARABS FELT CONFERENCE MAL-BALANCED IN THAT THEY PRESENTED OPINIONS BUT DID NOT HEAR OPINIONS FROM OECD GOVERNMENTS. WE DO NOT EXPECT THEY WOULD IN FUTURE ATTEND ANOTHER CONFERENCE WITH THIS (IN THEIR VIEW) ONE-SIDED FORMAT.

6. SOME CONCLUSIONS OF CONFERENCE, NOT VERY EARTH-SHAKING, AS FOLLOWS:

A. DEVELOPMENT COOPERATION SHOULD BE BASED ON IMPROVING EQUITY BETWEEN ENLIGHTENED PARTIES, BOTH OF WHOM WILL BENEFIT. IT SHOULD NOT BE SEEN AS MERE DOLES FROM RICH TO POOR.

B. A MAJOR PROBLEM IN TRILATERAL ACTIVITIES IS LACK OF BANKABLE PROJECTS. ARAB DEVELOPMENT INSTITUTIONS EXPERIENCE THIS PROBLEM JUST AS DO WESTERN INSTITUTIONS.

C. PROJECTS TOO OFTEN VIEWED IN ISOLATION RATHER THAN AS PARTS OF A WHOLE. ARAB AND OECD DEVELOPMENT INSTITUTIONS SHOULD COOPERATE MORE AND EXCHANGE MORE INFORMATION. WE DON'T LEARN ENOUGH FROM EACH OTHER OR FROM PAST EXPERIENCE.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 OECD P 04292 02 OF 02 111151Z

D. TECHNICAL POINTS SUCH AS TIME VALUE OF MONEY, SHADOW PRICING, VALUE OF UNTYING, ETC., MUST BE CAREFULLY CONSIDERED IN PROJECT APPRAISALS. IMPORTANT TRAINING ELEMENTS SHOULD BE BUILT INTO EVERY PROJECT. ARABS CAN LEARN FROM OECD DONORS IN THESE RESPECTS.

E. THERE SHOULD BE FOLLOW-UP TO THIS CONFERENCE, BUT ON BASIS OF CAREFULLY SELECTED SPECIFIC TECHNICAL ITEMS OF POLICY AND OPERATIONAL INTEREST. DEVELOPMENT CENTRE WITH HELP OF SOME OF THE MOST ACTIVE EXPERTS

SHOULD SUGGEST WHAT THESE ITEMS SHOULD BE.

7. FOLLOWING HAPPENS NEXT: SHARF WILL PREPARE FINAL DRAFT OF PAPER FOR DISTRIBUTION; CENTRE ALSO WILL PREPARE REPORT ON THE CONFERENCE; CENTRE AND SOME EXPERTS WILL IDENTIFY SPECIFIC ITEMS THAT MIGHT BE SUBJECTS OF FUTURE MEETINGS; DAC WILL CONSIDER WHAT MIGHT HAVE BEEN LEARNED OR IDENTIFIED THAT SHOULD BE BUILT INTO FUTURE DAC WORK PROGRAM. WE WILL POUCH YOU COPIES OF THIS MATERIAL WITH COMMENTS AS IT BECOMES AVAILABLE.

TURNER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, ECONOMIC DEVELOPMENT, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Sent Date: 11-Feb-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977OECDP04292
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770049-0779
Format: TEL
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770250/aaaabrvj.tel
Line Count: 235
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: fdebf5c7-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 15748
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3342702
Secure: OPEN
Status: NATIVE
Subject: OECD DEVELOPMENT CENTRE CONFERENCE ON TRILATERAL COOPERATION WITH ARAB INVOLVEMENT, JANUARY 26-28, L977
TAGS: EAID, XF, OECD
To: STATE
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/fdebf5c7-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009